

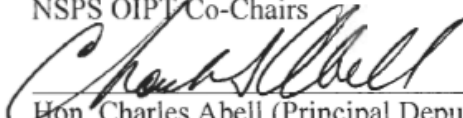
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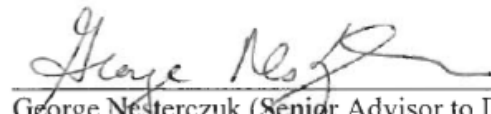
**REQUIREMENTS DOCUMENT  
FOR  
NATIONAL SECURITY PERSONNEL SYSTEM (NSPS)**

Forwarded By:

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Sep 23, 2004  
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## **1 Purpose.**

This document outlines the fundamental requirements for the Department of Defense (DoD) National Security Personnel System (NSPS) and is issued to guide the design, development and implementation of all aspects of NSPS. It is expected that various elements of the final NSPS will be evaluated against these requirements and those required by law, both in their design and their implementation.

## **2 Background.**

- 2.1 The National Security Personnel System (NSPS), as enacted by section 1101 of the National Defense Authorization Act for Fiscal Year 2004 (NDAA FY04), Public Law 108-136 (November 24, 2003), is contained in various subsections of section 9902 of title 5, United States Code. It allows the Department of Defense to establish a more flexible civilian personnel management system that is consistent with the human capital management strategy. The system allows the Department of Defense (DoD) to be a more competitive and progressive employer at a time when the country's national security demands a highly responsive system of civilian personnel management. The NSPS must also enhance DoD ability to execute its National Security mission.
- 2.2 The Secretary of Defense's Transformation Planning Guidance of 2003 outlined initiatives for transforming DoD to meet the challenges of the global war on terrorism.
- 2.3 Given this global war on terrorism, the role of DoD's civilian workforce is expanding to include more significant participation in combat support functions that will allow military personnel to focus on war fighting duties. Also, civilian personnel are key to maintaining institutional knowledge because of frequent rotations of military personnel. Since the end of the Cold War, the civilian workforce has undergone substantial changes resulting from downsizing, base realignments and closures, and competitive sourcing initiatives. Given current title 5, U.S. Code, requirements that support a seniority-based system, together with the Department's aging workforce and the projected "baby bust" anticipated by Bureau of Labor Statistics analyses, DoD's institutional knowledge and its future ability to acquire skilled personnel is at risk. In order for DoD to meet present and future mission requirements, action must be taken to mitigate this risk.
- 2.4 These factors, coupled with the Secretary of Defense's imperative to transform, require DoD to manage strategically its civilian workforce based on a total force perspective which includes civilian personnel; military active duty, reserve, and guard personnel; and DoD contractors.

- 2.5 The critical Human Resources issues facing DoD require a performance-based, market sensitive personnel system. In recognition of these needs for the civilian workforce, Congress enacted NSPS into law. DoD must now implement the law. This document represents the formal requirements validation for NSPS across the Department.

### **3 Description.**

- 3.1 NSPS must include a performance management system, including pay for performance.
- 3.2 The statute authorizes establishment of a system covering the following areas:
- Human resources
  - Employee appeals
  - Labor Relations
- 3.3 Personnel activities that may be substantially changed under NSPS include:
- Staffing and workforce resizing
  - Pay rates and systems
  - Job classification
  - Performance management
  - Labor-management relations
  - Discipline, adverse actions and employee appeals
- 3.4 By law, the NSPS system will not change some portions of the civil service system, including:
- Merit system principles
  - Prohibited personnel practices, including violations of veterans' preference
  - Laws against prohibited discrimination
  - Leave and attendance
  - Travel, transportation, and subsistence
  - Allowances
  - Incentive awards
  - Retirement, health benefits and life insurance benefits
  - Firefighter overtime pay calculation
  - Employee training
  - Suitability and security
  - Safety and drug abuse programs
  - Defense Laboratory Personnel Demonstration projects (before 2008)

3.5 The following non-NSPS flexibilities granted by the FY04 NDAA already have been implemented by DoD:

- Employment of Civil Service Retirees
- Employment of Highly Qualified Experts
- Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP)

3.6 NSPS elements must be designed to follow these **Guiding Principles**:

- Put mission first
- Respect the individual; protect rights guaranteed by law
- Value talent, performance, leadership, and commitment to public service
- Be flexible, understandable, credible, responsive, and executable
- Ensure accountability at all levels
- Balance Human Resource system interoperability with unique mission requirements
- Be competitive and cost effective

## **4 Analysis Process.**

- 4.1 The Secretary of Defense established an NSPS Strategic Engagement in March-April 2004 to review the design and implementation process being planned for NSPS. An Overarching Integrated Product Team (OIPT) was created to oversee the efforts of five IPTs: Requirements, Process, Personnel, Communications, and Program.
- 4.2 The Requirements IPT, led by the Deputy Assistant Secretary of the Navy for Civilian Human Resources (DASN CHR), consisted of an expert panel of senior DoD, Office of Personnel Management (OPM), and Component manpower, personnel and related area specialists, as well as military and civilian line commanders and leaders. The IPT reviewed the NSPS statute and legislative history and other documentation, and recommended to the OIPT adoption of the DoD requirements-acquisition model as a way to establish the requirements for the design and implementation of NSPS. The OIPT and the Secretary of Defense accepted the recommendation. Within this model, the IPT utilized a facilitated analytical framework to define objectives, identify and prioritize requirements, and identify the attributes of the requirements.
- 4.3 The IPT output of Key Performance Parameters (KPP) and guiding principles was validated with two focus groups comprised of operational Component representatives and was then vetted through the OIPT for inclusion into this document.

## **5 Required Capabilities.**

- 5.1 The overarching Mission Objective of NSPS is to place the right civilian employee in the right job with the right skills at the right time at the right cost. NSPS must be a “mission-based” system that is linked to DoD goals. The NSPS system must allow rapid adaptation of the civilian workforce composition to meet changes in mission requirements. By focusing on and meeting the elements of this overarching objective, the right civilian employee with the right capability will be assigned to the right place.
- 5.2 The following strategic assumptions were used in deriving NSPS requirements:
  - Current system is inadequate in managing DoD civilian personnel
  - Hiring is too slow, causing an adverse effect on recruiting
  - Outstanding performers are paid the same as poor performers
  - Reassigning is too difficult
  - Poor performers are not held accountable
  - The current appellate system is complex, legalistic, and often too slow
  - Labor relations structure is too cumbersome
  - Complexity of designing and implementing a new personnel system is similar to the acquisition of a complex weapon system and will require a similar professional governance structure that includes collaboration with all stakeholders

- NSPS needs to bring about essential change while preserving the core and enduring values of the civil service in a fast-paced, technology-oriented labor market

- 5.3 The design and implementation of NSPS must meet a number of Key Performance Parameters (KPP). A KPP is a capability or characteristic that is so significant that failure to meet a minimum “threshold” can be cause for that element, concept or system to be reevaluated, or the program to be reassessed or terminated. As discussed in following paragraphs, an “attribute” is a characteristic that further defines a performance parameter that allows it to be measured.
- 5.4 The six Key Performance Parameters summarized in Table 1 below are deemed essential for the implementation of NSPS.

**Table 1**

<b>1. High Performing Workforce and Management</b>	Employees and supervisors are compensated and retained based on their performance and contribution to mission
<b>2. Agile and Responsive Workforce and Management</b>	Workforce can be easily sized, shaped, and deployed to meet changing mission requirements
<b>3. Credible and Trusted</b>	System assures openness, clarity, accountability and adherence to the public employment principles of merit and fitness
<b>4. Fiscally Sound</b>	Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance; managers will have flexibility to manage to budget at the unit level
<b>5. Supporting Infrastructure</b>	Information Technology support, and training and change management plans are available and funded
<b>6. Schedule</b>	NSPS will be operational and stable in sufficient time to evaluate it before the LR system sunset date (Nov 09)

In developing the KPPs for NSPS, emphasis was placed on the need for DoD and its Components to delegate as much human resource authority as possible to the manager level and on the premise that the workforce will embrace the system if it is credible, clearly connects performance to mission, and rewards high performance.

- 5.4.1 **High Performing Workforce and Management.** In order for the NSPS to achieve a high performing workforce and management, employees and supervisors must be compensated and retained based on their performance and contribution to the mission. The system must have a built-in flexibility that is simple and adaptable to varying command missions and structures, e.g., it will work in a research and development organization, a production facility, or an accounting organization.

Those work objectives that define an employee's expected performance must be clearly defined from the Component level down to the command and individual levels and should align with the Department's and the organization's strategic plans and mission requirements. A reward system must be established not only for individuals, but also for organizations and/or teams of employees. The system must be constructed so that employees can readily understand how and why performance ratings are assigned. The system, while preserving merit principles and veterans' preference entitlements, must be based on simplified personnel rules that support flexibility and adaptability to varying command missions and structures. A training program must be implemented that enables the employee to understand better how to succeed, and enables supervisors to communicate performance expectations to their employees, provide feedback to them on their performance against these expectations, and tell them what steps they can take to improve their performance and competencies and manage their careers.

Attributes:

- System is transparent – Clear and understandable to employee and supervisor alike
- Credible system – System is trusted by employees and supervisors
- Performance and contribution are linked to salary and rewards
- Salary and rewards enable DoD to compete successfully in hiring and retaining employees
- System links to the DoD and Component strategic plans
- System allows for variations without incurring excess cost to support performance management processes
- System provides ongoing feedback
- System is contemporary

**5.4.2 Agile and Responsive Workforce and Management.** NSPS must enhance the Department's ability to more easily size, shape, and deploy any member of the workforce, – whether employee, supervisor, or manager, – to meet changing mission and stationing requirements, including those related to Joint Operations. Attributes will be designed to operate within the framework of merit principles, veterans' preference, and employees' rights to organize and bargain collectively.

Attributes:

- Expandable
  - Workforce additions can be easily made to meet emergent mission requirements
  - Flexibilities exist to hire or expand to meet fluctuating work load
  - Workforce skills are readily identifiable in order to assign employees to meet emergent mission requirements



- Retractable
  - Workforce can be easily right-sized to meet decreased mission requirements
  - System is compatible with competitive sourcing regulations and provides the flexibility to create and compete DOD Most Efficient Organizations (MEO) within the A-76 process
  - System supports management decisions on modifications of employee numbers while sustaining a core group (e.g., Temporary, Term and Permanent Employee mix decisions)
- Assignable
  - Employees can be easily assigned/reassigned work in support of ongoing/emergent mission requirements
  - Employees can be moved within a broad pay band vice having to be reassigned or detailed to a specific series and pay grade
  - System is sufficiently adaptable to allow for needs for changing skill sets
- Deployable
  - Employees and/or a work unit can be easily geographically moved, either temporarily or permanently, to meet changing mission requirements, including Joint requirements and across DoD Component structures
  - Flexibility exists to provide incentives for employees to move or be deployable
- Renewable
  - The system provides for growth and sustainment of competencies, i.e., knowledges, skills, abilities, and behaviors, throughout a career
  - New skills and talent can be brought into the organization quickly and impartially
  - Personnel with obsolete skills can be retrained to achieve proper skill mix to meet mission
  - The system supports and facilitates succession planning
- Reconfigurable
  - Organizational structures can be easily changed to meet ongoing and emergent mission requirements
- Diverse
  - Workforce is representative and multi-skilled with varied backgrounds and experiences
- Contemporary
  - System changes and adapts to meet current needs and changing conditions
  - System does not impose unnecessary rules and regulations that restrict otherwise legally permissible management action

**5.4.3 Credible & Trusted.** The NSPS must be a credible and trusted system to be successful. For example, the NSPS statute requires that the performance management system, which is a required part of the overall human resources management system, include a fair, credible, and transparent performance appraisal system, timetables for review of employee performance and dialogue between employees and supervisors.

Acceptance of, and satisfaction with, NSPS by both managers and employees will only occur if there is integrity throughout the system. The system must be designed so that its processes are easily accessible and understandable. Availability of due process in appropriate cases must be visible and assured. The role, responsibility, authority, and accountability of every member of the workforce must be clearly articulated and understood. Performance expectations and corresponding salary and bonuses must also be equitable and clearly understood. Managers/supervisors who can lead and fairly execute the NSPS will be a key factor to achieving and maintaining system credibility and workforce trust. A labor-management relationship must be fostered that effectively addresses employee concerns without compromising DoD mission accomplishment. Finally, the NSPS must have an appeals process for equitably and expeditiously resolving workforce concerns. NSPS must operate within the framework of merit principles, veterans' preference, and employees' rights to organize and bargain collectively.

Attributes:

- System design is accessible, understandable, accountable and merit-based
- System provides for fair and expeditious resolution of issues and concerns
- System fosters a labor-management relationship that addresses employee concerns and employees' rights to organize and bargain collectively while meeting DoD mission.
- System includes a performance management system that meets statutory requirements.

**5.4.4 Fiscally Sound.** The NSPS must be a fiscally sound, value-driven system. NSPS development, implementation, and life cycle maintenance costs must be funded within the DoD top line. Once NSPS is implemented, processes need to be in place to ensure cost discipline such that aggregate increases in civilian payroll at each appropriation level conform to OMB fiscal guidance. The NSPS must be cost-neutral. The NSPS statute requires that between 2004 and 2008, to the maximum extent practicable, the amounts allocated for compensation of employees covered by NSPS cannot decrease below what it would have been if NSPS had not been implemented. After 2008, to the maximum extent practicable, NSPS regulations must provide for calculating the overall amount to be allocated for compensation of employees covered by NSPS in a way that will ensure that in the aggregate employees are not disadvantaged.

Managers/supervisors must be trained on the impact of their fiscal decisions on DoD mission performance, including a clear understanding of paying for performance and alignment of compensation to the market. Delegated Human

Resource management authorities should support managing to budget at the unit level, while maintaining the flexibility to offer market sensitive pay. The NSPS system and process must establish “pay control criteria/points” that ensure people are not compensated outside their level of work responsibility, either too high or too low.

Attributes:

- Aggregate increases in civilian payroll at the appropriation levels conform to OMB fiscal guidance and statutory requirements
- Funded implementation costs are measured with respect to the DoD top line
- System provides for cost discipline
- System provides flexibility to manage civilian human resources to budget at the unit level

**5.4.5 Supporting Infrastructure.** The NSPS must be supported by a robust infrastructure that facilitates user operational and functional requirements. That infrastructure must include change management, workforce training and retraining on the implementation and operations of NSPS, including the performance management system, and an interoperable information technology (IT) system. The supporting IT infrastructure of NSPS is more than just the physical components of the interoperable IT systems and the software programs and links that comprise those systems. Those components and software programs must be easy to use; accessible to all users with appropriate permissions; and capable of generating the reports, analyses and deliverables necessary for all types of finance, manpower management, HR and other functional requirements and for evaluation of the NSPS. In addition to valuing interoperability and accessibility, NSPS needs a pay and performance management information system that provides sufficiently robust data, reports, and transaction processing to support sound, fair compensation decisions. Because NSPS represents significant change in the management of employees, operations and systems embedded throughout DoD, change management, communication, and NSPS technical training are key activities of the supporting infrastructure. Military and civilian managers, employees, HR staff, pay pool administrators and financial staff must receive training and retraining in change management and the “soft skills” associated with performance management and pay setting, as well as in all aspects of NSPS policy, performance management, and operations in order to succeed.

Training in the management of change must be provided and should include aspects of the following:

- Understanding, communicating and dealing with change
- Development and communication of performance expectations
- Feedback and Coaching

Detailed technical/operational training and retraining, as needed, must be provided for NSPS and should include the following:

- System operations, e.g., staffing flexibilities, reduction in force, etc.

- Pay pool models and supporting IT
- Payout process
- Labor-management relations
- Discipline and appeals
- Implementation and operation of the performance management system

Audiences that require these training elements:

- Military and Civilian managers, supervisors, pay-pool managers and employees
- Human Resources staff
- Equal Employment Opportunity staff
- Financial managers
- Attorneys for civilian personnel and labor relations law

An in-depth IT strategy and plan must be created such that current DOD IT system modifications and new IT systems provide the following capabilities: (examples)

- Seamless processing and payroll actions across DOD systems from the Defense Civilian Personnel Data System (DCPDS) flowing to the Defense Finance and Accounting Service (DFAS)
- “Mass conversion” of employees into NSPS
- Mass DCPDS update capability for NSPS actions and new conversions
- Executing Priority Placement Program (PPP) actions through the Automated Staffing and Referral System (ASARS) and converting current PPP registrants to the new system;
- Processing Reduction-in-Force (RIF) actions using an automated system
- Facilitating Department managers’ efforts to efficiently and effectively manage a Pay for Performance system through an automated pay modeling and performance administration process

Attributes:

- Supporting infrastructure provides interoperability across all offices and functions.
- Data is accessible when personnel possess appropriate permissions.

**5.4.6 Schedule.** NSPS must be in place throughout the DoD, stabilized and validated across one annual cycle, in order to provide Congress an opportunity to address the November 2009 sunset of the Labor Relations system. Section 9902(m) of title 5, U.S. Code, contains a sunset provision for the labor relations system authority. Design, development, regulatory, training and implementation schedules established for the NSPS program must be employed such that full system implementation supports the timeline needed for Congress to address the Nov 09 sunset date.

Section 9902(l) of title 5, U.S. Code, also provides that the NSPS human resources system may not apply to organizations with more than 300K employees, until the Secretary of Defense determines and certifies that the Department has a

performance management system in place that meets the statutory criteria established for the NSPS performance management system.

Attributes:

- NSPS internal milestones for system development, implementation, and assessment lead effectively to providing support to repeal the LR system sunset date
- “Spiral roll-out”: The program schedule should include the design and implementation of initial operating deployments that permit the system to be put into use and assessed at a relatively small number of organizations, with subsequent deployments that incorporate lessons/system improvements from the previous experiences. Periodic assessment of system effectiveness will be conducted so the Department has a basis for determining that the performance management system meets the statutory criteria, allowing DoD to expand NSPS beyond the initially authorized 300K employees. The notional schedule follows, but is subject to change.

**Table 2**

<b>KEY EVENTS</b>	<b>EXPECTED TIMEFRAME</b>
Issue Proposed Regulations to Federal Register	December 2004
Begin Statutory Collaboration Process	January 2005
Complete Statutory Collaboration Process	May 2005
Begin first spiral of NSPS implementation	July 2005
Complete first spirals up through 300,000 personnel	December 2006
Complete full implementation of NSPS and documentation to support legislation repealing the sunset date for the labor relations system	January 2009

## 6 **Considerations.**

6.1 The design, development, regulatory process, implementation, and operation of NSPS must consider a number of aspects in order to be successful. The Required Capabilities listed in paragraph 5 provide the attributes that the NSPS system must meet. The “Considerations” noted in the following paragraphs highlight portions of the “environment” in which NSPS must be designed, implemented and operated within DoD.

6.2 There will be costs to DoD associated with NSPS implementation. These will be a combination of centrally funded items in the OSD budget and those funded in Component budgets. Once fielded, however, it is anticipated that NSPS will be resourced through existing Human Resource Management and civilian payroll and training budgets and funding. NSPS needs to be cost-neutral with respect to the current DoD Planning, Programming, Budgeting and Execution (PPBE) top line. Costs that should be included as “implementation costs” include:

6.2.1 Costs associated with the design, implementation, and administration of the performance management system.

6.2.2 Supporting infrastructure, such as training and information technology (IT) costs. Paragraph 5.4.5 provides information on the training and IT requirements needed for successful deployment and operation of NSPS. There also will be salary and travel costs during design and implementation phases for the support work associated with developing regulations and programs and providing information about NSPS while continuing to operate other personnel systems until NSPS is fully deployed. The OSD and Component budgets and funding of this requirement must be finalized and allocated.

6.2.3 Potential offset. The Human Capital Performance Fund (HCPF), authorized under the NDAA, could possibly be used to meet some of these costs. The HCPF is designed to promote higher performance and to make funds available to agencies to reward the highest performing and most valuable employees. The amount appropriated for Fiscal Year 2004 is less than \$1,000,000 (\$400,000 for DoD), of which a maximum of 10% shall be available to participating agencies to train supervisors, managers, and other individuals involved in the appraisal process on using performance management systems to make meaningful distinctions in employee performance and the use of the fund. The law also authorizes for subsequent fiscal years such sums as may be necessary to carry out the provisions of the HCPF. DoD should apply for HCPF funds under chapter 54 of title 5, U.S. Code, as a possible source of support for NSPS training.

6.3 The design, regulatory process and implementation of NSPS will be affected by the following:

- Partnership with Office of Personnel Management (OPM)

- Creation of the Jointly Prescribed Regulations (jointly signed by Secretary of Defense and Director, OPM)
- Complying with NSPS Statutory requirements, including:
  - Limitations imposed by non-waivable chapters
  - Not waiving, modifying, or otherwise affecting merit systems principles, prohibitions against prohibited personnel practices (including protection of veterans' preference), and laws against prohibited discrimination
  - Outcome of consultations with the Merit Systems Protection Board on an appeals system
- OMB regulatory process requirements
- Labor Union participation. Under the law there are specific provisions that DoD must follow that ensure collaboration with employee representatives in the planning, development, and implementation of NSPS.
- External regulations, which must be taken into account when designing NSPS or which may have an impact on the efficient operation of NSPS include:
  - Joint Travel Regulations (JTR)
  - Personnel Security Regulations
  - Priority Placement Program (PPP) Regulations
- Civilian Manpower/FTE constraints established in the budget process
- Managing to Budget as a shift from managing to budgeted FTE
- Balancing mission and workforce needs

- 6.4 Management of Change: Because of the magnitude of the changes that NSPS will bring, there will be internal resistance to systems' implementations. These changes may be further complicated by lack of trust in the new system and varying degrees of manager/employee buy-in as NSPS goes through spiral development and fielding. This resistance can be offset by strong leadership and by comprehensive communications about why a new system is needed and the anticipated benefits the system will produce. Employee/ Manager dissatisfaction with the existing system may also mitigate this resistance to change. Change also will be sought from major stakeholders who are external to DoD. Significant attention to leading as well as managing change will enhance the chances of implementation success.
- 6.5 Interaction with Department of Homeland Security (DHS). Because NSPS and the DHS personnel, labor and appeals systems may have common features, a process of effective collaboration should be developed. Both DoD and DHS are working with OPM and collaboration will benefit both Departments.
- 6.6 Competing priorities at the DoD level. The ongoing Global War on Terrorism as well as the FY2005 BRAC process will likely have an impact on both Military and Civilian manpower, including MIL-CIV conversion initiatives. NSPS may facilitate these manpower changes; however, leaders and HR practitioners may have limited time for NSPS issues and deployment activities while they are focused on supporting these competing priority issues.
- 6.7 Maintaining effective relationships with employee representatives. The law requires collaboration with employee representatives of bargaining unit employees in the development and implementation of NSPS. It also encourages collaboration with other appropriate groups that represent substantial numbers of employees who are not in bargaining units. In addition, it is desirable for DoD to have an engagement process with labor unions that allows for design inputs and issues to be discussed before the formal collaboration process required by law begins.
- 6.8 There may be reduced availability of resources to provide continuous training and support to supervisors and managers, a requirement that other personnel demonstration projects indicated was necessary. Consideration must be given to sustainable resources for training and support in order, at a minimum, to meet the statutory requirement for training and retraining on the performance management system.

## **7 NSPS Measures of Effectiveness and Performance.**

- 7.1 The fundamental requirements for NSPS are in the authorizing statute. As specific features of the system are developed, assessment metrics and thresholds will be developed to enable the Department to ascertain if the system, or a feature of it, is meeting operational performance expectations. Unlike acquisition-type systems, NSPS key measures may change over time. NSPS metrics will be issued in a separate document.



## 8 **Recommendation Summary.**

- 8.1 Congress authorized the Secretary of Defense, in regulations jointly prescribed with the Director, OPM, to establish a more flexible civilian personnel management system that allows the Department to be a more competitive and progressive employer. The mission of DoD is to support the nation's national security needs. National security requirements can change quickly, as they did on September 11, 2001, when the nation went to war against global terrorism, putting new demands on DoD. The Department must be able to rely on the support of a highly responsive system of civilian personnel management. This system is known as the National Security Personnel System (NSPS). NSPS fits within the Secretary of Defense's Transformation Planning Guidance of 2003. The scope of the NSPS is authorized by law and covers the following areas: human resources, including a required performance management system, employee appeals about decisions related to employment, and labor relations. The table below (repeated from paragraph 5) summarizes and defines the Key Performance Parameters deemed essential for the implementation of NSPS.

**Table 3**

<b>1. High Performing Workforce and Management</b>	Employees and supervisors are compensated and retained based on their performance and contribution to mission
<b>2. Agile and Responsive Workforce and Management</b>	Workforce can be easily sized, shaped, and deployed to meet changing mission requirements
<b>3. Credible and Trusted</b>	System assures openness, clarity, accountability and adherence to the public employment principles of merit and fitness
<b>4. Fiscally Sound</b>	Aggregate increases in civilian payroll, at the appropriations level, will conform to statutory requirements and OMB fiscal guidance; managers will have flexibility to manage to budget at the unit level
<b>5. Supporting Infrastructure</b>	Information Technology support, training, and change management plans are available and funded
<b>6. Schedule</b>	NSPS will be operational and stable prior to the LR system sunset date (Nov 09)

- 8.2 Implementation of NSPS is the only practical alternative to achieve a system fully consistent with DoD's national security mission.

- 8.3 Notional Key Events for Design and Implementation. Table 4 (from paragraph 5) lists notional design and implementation schedule for NSPS, including the first spiral implementations.

**Table 4**

<b>KEY EVENTS</b>	<b>EXPECTED TIMEFRAME</b>
Issue Proposed Regulations to Federal Register	December 2004
Begin Statutory Collaboration Process	January 2005
Complete Statutory Collaboration Process	May 2005
Begin first spiral of NSPS implementation	July 2005
Complete first spirals up through 300,000 personnel	December 2006
Complete full implementation of NSPS and documentation to support legislation repealing the sunset date for the labor relations system	January 2009